

## EQUITY

### STATEMENT TO MEMBERS ISSUED IN ACCORDANCE WITH THE UNION'S ANNUAL RETURN FOR THE YEAR ENDED 31 DECEMBER 2023

#### AS REQUIRED BY SECTION 32A OF THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

#### Income and expenditure

|                                              | £           |
|----------------------------------------------|-------------|
| Total income                                 | 9,760,248   |
| Total expenditure                            | (9,277,545) |
| Realised and unrealised gains on investments | 567,593     |
| Actuarial loss on pension scheme             | (188,000)   |

£6,937,207 of total income comprised payments in respect of membership.

#### Political Income and Expenditure

The figures above include £nil income and £nil expenditure in respect of the political fund.

#### Salaries and Benefits

|                                      | Salary  | Employer's<br>National<br>Insurance<br>contributions | Pension<br>contributions | Benefits | Total   |
|--------------------------------------|---------|------------------------------------------------------|--------------------------|----------|---------|
|                                      | £       | £                                                    | £                        | £        | £       |
| Paul W. Fleming<br>General Secretary | 110,358 | 13,362                                               | 29,613                   | nil      | 153,334 |

The President and all members of the Executive Council were not paid any amount in respect of salary or benefits.

**Irregularity Statement**

A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and if necessary securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

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# Independent auditor's report to the members of Equity

## Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of Equity (the 'Union') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our

other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Council with respect to going concern are described in the relevant sections of this report.

## Other information

The Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Honorary Treasurer, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there

is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters to which the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of the Executive Council

As explained more fully in the Statement of Equity Council's responsibilities, the Executive Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Council is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### Non-compliance with laws and regulations

We gained an understanding of the legal and regulatory framework applicable to the Union and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Union that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Trade Union and Labour Relations (Consolidation) Act 1992, UK tax legislation and equivalent local laws and regulations.

Our procedures in respect of the above included:

Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;

- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;

- Review of financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations.

#### *Fraud*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud and how management monitor these processes.

Audit procedures performed by the engagement team included:

Reading minutes of meeting of those charged with governance for any evidence of fraud or suspected fraud;

- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial result;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Challenging the assumptions and judgements made by management for key estimates, in particular in relation to income recognition and calculation of provisions.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to Equity, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
Garth M Jones  
AF9E71C52320451  
BDO LLP, Statutory Auditor  
London, UK

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30 May 2024